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DOOMSDAY FOR THE DOCTORS

by Richard H. Sherwood

President Truman is pledged to compulsory national health insurance, and Congress is behind him. So we are now well past the pro and con phase of the actual merits of socialized medicine in this country, and right up against nationalization of the medical profession.

Since the election, heads of Government bureaus have been asked to prepare their programs. The United States Public Health Service can be expected to come up with the essentials of another national health insurance scheme any day now. It has been plugging for this gigantic extension of its powers for a long time.

Then, after one or two trial heats on less important legislation, a slightly improved version of the Wagner-Murray-Dingell bill will be dropped into the legislative hopper. This time it is likely to pass. There are many reasons. The opposition is weak; 150,000 doctors cannot buck the trend.

Health on the farm has always been pitiable. World War II revealed that farm boys were in the poorest physical condition of any group drafted. The large unions are committed to a program of socialized medicine. The farm and Labor line-up consists of 21,000,000 farmers plus the 15,000,000 members of organized Labor. To this number add 5,000,000 Federal, state and local government employees, stir in some teachers, preachers and miscellaneous advocates, and you have a situation where 50,000,000 people can't be wrong. They have political power even if they are wrong.

The principal net result of the long, strong, and repeated opposition of American physicians to socialized medicine in the past 25 years has been to make it seem more and more desirable to more and more people. No one ever heard of victory for the negative in a high school or college debate on the proposition "Should Medicine be Socialized?" The affirmative always wins. Teachers and coaches of the debating teams are almost invariably in favor of it. In the past 25 years, millions who have taken Sociology courses in our high schools and colleges have been strongly slanted in favor of free Government medical service.

Physicians are accustomed to advising their patients not to do what is bad for them, only to see some go ahead and do it anyway. If

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the American people want their doctoring to degenerate into mere paper work primarily designed to insure cash benefits; if they choose to be herded into companies of fifty patients, "examined" by a doctor in the short space of one hour; if they are willing to turn American medical practice into a political insurance racket, it can all happen here.

II

To a certain extent, the doctors have brought socialized medicine upon themselves. Much publicized vacations, new Cadillacs, huge houses, social prominence and country-club memberships have served to emphasize the commercial aspect of medical care.

Some members of the medical profession aroused considerable antagonism during the war by their refusal to make house calls, particularly at night. The young medical men, who usually respond promptly, in order to build up their practices, were away. The better established, older practitioners were overworked. Nevertheless, millions of people, with money they never had before, demanded prompt medical service. They resented not getting it; resentment still lingers.

Then there is the doctor shortage. The needs of the armed services during and since the recent war have taken, and will continue to take, many young medical men who would ordinarily enter private practice.

New buildings with which to expand medical schools are too costly. Confiscatory taxes keep private philanthropists from giving money to the medical schools. The purchasing powers of University endowments have shrunk. Drives for additional endowments are not producing much. The Government is siphoning off the extra money.

With private benefactors fast disappearing, the hospital crowd looks longingly at the Federal Government's seemingly bottomless purse and yearns for nice jobs in new bureaus with no worries about how to meet mounting deficits. Some of them secretly aspire to become Area, or Zone, or Regional Hospital Directors, with more salary and prestige. It would merely entail switching allegiance from the industrialists to the politicians -- with the advantage of permanent civil service status.

III

Industry sees in socialized medicine an excellent opportunity to saddle on the Federal Government a major portion of the expense of workmen's compensation insurance cases. It can be argued that the entire community, rather than the employer and employee, should carry the burden of such insurance. Annual premiums on workmen's compensation insurance mount as high as 15 per cent of the payroll in some states.

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Industry desires broad coverage for its employees; not coverage limited to individuals deemed employable by the strict physical standards of workmen's compensation insurance carriers. The aged and middle-aged worker is getting squeezed out in industry, but more powerful politically. Not all business can afford the insurance cost of the older groups, yet all employees want to be covered. Moreover, if the Government takes care of the insurance and doctoring, unions can demand higher wages.

Some industrialists resent the influence and independent attitude of the doctor and his strong stand for better working conditions. He may be a likeable luncheon or golf companion, but he may also be "too sympathetic with Labor". Industrialists tend to regard a doctor as just another employee whose opinions are just as much for hire as his services. Then there is the argument that doctors' earnings should be cut down because their apparently higher incomes demoralize other technical employees with comparable professional training. This upsets an organization's salary policies. Management's hostility to doctors is not something on which condemnatory resolutions are passed, but it's there.

The general public has also gotten the idea that the private practice of medicine is a very lucrative calling. The average physician is depicted as grossing $1500 a month. Such fantastic figures have a bad effect on the profession. Yet, like everyone else, the doctor is judged by materialistic standards. His apparent prosperity is the most popular gauge of his ability. If a doctor does not appear to be making a lot of money, his patients are apt to shift to one who does.

Publication of the amounts of the huge fines imposed by the Internal Revenue Department on a few doctors who attempted to evade income taxes has also created widespread unfavorable reaction. In one prominent periodical, doctors have been classified with common gamblers as income tax evaders.

Insurance companies carrying workmen's compensation, and public liability insurance companies, would like to see the doctor's fee schedules cut down. Examination of the schedule of fees on the back of the average accident and health insurance policy will afford some idea of what the insurance carriers would like to pay. They are invariably lower than doctors' regular fee schedules. Then, welfare agencies habitually exploit the physicians by obtaining medical services at rates far below the medical fee schedules current in the community. They claim doctors' charges are too hard on the taxpayer. Traditionally,

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doctors are supposed to contribute at least part of their professional services, while all other vendors receive full payment.

This sort of sniping goes on continuously. It's too much of a battle for just a few physicians to fight. It's hard to fight for your profession and practice medicine too.

IV

A powerful group desirous of re-organizing medical service in the United States is the professional social service workers.

Every community big enough to have social work at all has its share of college-bred social workers who claim to know more about the kind of medical care the country needs than the doctors themselves. Fresh from colleges and their all too frequent teaching of un-American philosophies, the social workers are fairly bursting with statistics. These social workers get around. Heads of their organizations in key positions have done the system of private medical practice a lot of damage.

Very active, and with plenty of time to work at it, are the professional public health officials. Private physicians have long been dismayed by the large number of public health employees who seek to indoctrinate the public in favor of a system of medical service which 90 per cent of the doctors are against. Under socialized medicine, heads of health departments will be able to obtain larger staffs and more appropriations with bigger salaries for the increased work, responsibility, staffs, and territories assigned to them. It's difficult for the private practitioner to counteract the influence on national legislation of salaried medical bureaucrats able to circulate and preach the word.

By any yardstick of community health, twenty years of compulsory national health insurance in Britain has miserably failed to produce results compared with private medical practice in the United States. In the opinions of the vast majority of the doctors in both countries, complete nationalization of health services is going further in the wrong direction. But the number of powerful organizations and agencies, trying to down the doctors and bring them under the Government medicine yoke, is now overwhelming. The more the doctors oppose the idea, the more the public thinks they are trying to line their own pockets. President Truman will merely respond to powerful public demand, if he tries to install State medicine immediately.

Dr. Sherwood, of Niagara Falls, New York, says modestly that "like my father before me, I am only a general practitioner".

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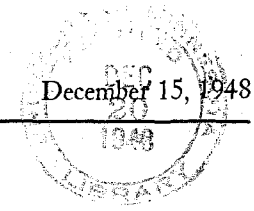
Not Merely Gossip *A Supplement to* Human Events December 15, 1948



By Frank C. Hanighen

No one wants a completely-controlled economy, no one demands it -- yet, everyone is gradually, and gloomily, submitting to the idea that it cannot be avoided. By "no one", we mean the mass of the people, and most of their public leaders. The exceptions are those Government economists and their political associates who would run the grim show. A glimpse of what the latter are up to, and the technique of their preparatory work came to this column from a "public leader", outside of the Government. The Chief Executive invited him to join a group of other leaders in an off-the-record survey of the foreign, the military and the domestic inflationary situation. It seemed, of course, to our friend an enviable opportunity to see "what was going on behind the scenes".

The group was composed of prominent men in the fields of business, labor, agriculture, etc. They were vouchsafed a look at the might of the Navy (at Key West), of the fire-power of the Army in Maryland, of the launching of a buzz-bomb, of the jet planes, pride of the Air Corps, etc. Then a high State Department official gave them a birds-eye view of "factors in foreign affairs". Finally, a White House economist, somewhat unnecessarily, pointed out the cost of all this, dwelt on the inflation and revealed the pay-off -- controls. He told his hearers that they must get accustomed to the idea of peacetime controls and warned them with a persuasive, man-to-man, "we-are-all-in-it-together" approach that by the end of 1949 we will have an economy rigidly controlled. He ventured a comparison. Government controls in 1949 and 1950 would outstrip those enforced in World War II just as much as the latter exceeded those in the Civil War. The effect on the audience was considerable. "We are all in it", "it's bound to come", "let's face it" -- these were the resultant attitudes after this course of indoctrination. The sense of inevitability of controls soon began to appear here and there in the press, daily and periodical, (for the press lords had attended); editorial writers solemnly conveyed the notion of the necessary fate, radio gave hints of what was to, what must, come.

Now it is an unfortunate fact that few among the public leaders assembled commented on how such an indoctrination by-passes the normal machinery of representative government, and of a free and candid discussion in public forums. But, also, few perceived the interesting technique by which they themselves were utilized for the dissemination of an idea. It has been our observation that few business leaders understand that public opinion is created indirectly, not directly. Men who sell on a grand scale to the mass public are prone to believe that a radio program, a mass-circulation magazine is sufficient to affect opinion. They fail to realize that conferences such as are described above, indoctrination courses by the State Department (which are constantly going on), a shift in the attitude of the intellectual magazines (which editorial writers read) constitute the decisive media which in turn shape the policies of mass magazines, radio and newspapers.

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A week ago we stood outside the Un-American Activities Committee room listening to comments by correspondents of four great metropolitan dailies. The President's reiteration of the "red herring" theme had just been received, and one man remarked: "This is the official confirmation." What they meant was that now they knew what they had suspected for days, that the Department of Justice had orders from the White House to "pin the rap on Chambers". Three of the four believed that the

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Administration would succeed. The fourth thought that public opinion would not stand for it. To this came the retort: "Well, even if they don't indict Chambers, they'll manage to so confuse the matter in the public mind, that newspaper readers won't know what it's all about. Remember how Alben Barkley handled the Pearl Harbor investigation." After this colloquy, the atmosphere changed, partly as a result of unexpected courage by the press. For example, in the past week all four Washington papers rallied to the view that responsibility for removal of the State documents must be fixed, and all attacked the "red herring" attitude of President Truman. It may be said that, with very few exceptions, the press covered itself with glory.

A handful of die-hard columnists, mostly in Washington, still carry on their obscurantist work by asserting that the revelations are naught but musty history. But, as the Committee stated on December 14, the necessity of uncovering spy rings is as urgent as ever. The obvious question is raised: If the Soviet Union took such trouble to construct a spy apparatus for obtaining important documents in the Thirties, how much more actively must they be working on similar business today? Many in a position to know believe that a ring inside Government offices still exists. The gnawing worry of the "hush-hush" services is what they term "sleepers". These are spies placed in key positions many years ago, with orders to do no work until signalled. These "sleepers" could remain in their Government positions unnoticed right up to now, ready to perform their missions when Moscow gives the word. Now that Hiss has been indicted, presumably Attorney General Clark will put his shoulder to the wheel and his task should be facilitated by thorough Congressional investigation.

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In the dark corridor outside the Un-American Activities Committee room, newsmen fidgeted, did crossword puzzles, then occasionally drifted into the anteroom to badger the Committee staff for bits of news. One piece of gossip concerned a document which the Committee has withheld from publication because it might embarrass the State Department. As we get it, the document is the report of a round-table discussion in 1938 among State officials about a proposed trade treaty with Nazi Germany. The objection was raised that powerful pressure groups in the U. S. wouldn't like such a pact. The answer by one who obviously knows his politics was something like this: "The voters have short memories; two years hence, in 1940, they will have forgotten the treaty and will vote for Roosevelt."

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Two men active in the field of agriculture have unveiled a new and interesting enterprise. They are Mr. James McConnell of the Cooperative GLF Exchange and Dana Bennett of the Foundation for American Agriculture. Their idea sprang, in part, from realization that the farm population is declining. A recent Grange report, October, 1948, remarked that, in contrast with an increasing total population in the United States, the graph of farm population is expected to slope downward. That, indeed, has been the trend for the past three decades, at an average rate of one-half per cent per year.

These two men have, therefore, launched an experiment in corporate farming, in which small farmers are encouraged at once to benefit by large-scale methods and at the same time to remain "tied to the land". Messrs. McConnell and Bennett have formed a corporation and acquired 1,000 acres in Pennsylvania. On this land, four farmers -- dairy and poultry -- have been individually waging a losing battle in an age of mechanization and rising labor costs. These farmers will take a share of the stock, retain a few acres and homes -- "to keep their roots in the soil". The corporate management will do the rest. The aim is also to encourage city people who

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want a stake in the land to buy farms and place them under efficient corporate management. As an effort to solve the problem of the marginal farm, the venture deserves watching.

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Recent unhappy observations in this column on the acceleration of dismantlement may have given the incorrect impression that in the American Military Government all forces are working in that unfortunate direction. The fact is that, since Byrnes' Stuttgart speech in 1946, General Clay has replaced many Morgenthau-minded bureaucrats with those sincerely intent on promoting German recovery. But, at the same time, the Augean stable was not by any means cleaned. A friend just returned from Germany remarked on the curious struggle that goes on within the Military Government between the "destroyers" and the "recovery-ites". Certain personalities among the bureaucrats are definitely recognized as being of one or other of these two persuasions, and much hugger-mugger has ensued in the implementation or sabotage, as the case may be, of key directives.

A distinguished American industrial consultant has written an off-the-record report in which he has painstakingly described the demarcation between the two conflicting groups. By and large, he says, those in the Economic Division try to save plants from dismantlement and to put through constructive measures; those in the Finance Division try to "tear down". The latter group has been staffed in part by the Bureau of the Budget in Washington, long suspect for its Left Wing views. The consultant notes two specific accomplishments of the Finance group in their "revolution of destruction". For one thing, they delayed the overdue currency reform as long as possible, thereby slowing up recovery. For another, they have introduced what amounts to a capital levy. This capital levy is termed a "brutal further socialization" by our consultant friend, who goes on to say, "these nefarious policies serve ultimately no other end than to diminish the last remnants of a society in Germany which respects private property, believes in private enterprise and still has concepts in line with Western ideals. While we are pouring money into the struggle for Berlin to stop the Soviets in their drive to communize the rest of Europe, these Morgenthau elements enforce policies productive of conditions which are close to those of the Soviet State and remote from Western ideals."

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The New Leader rates honorable mention for its recent review of Sherwood's book on Hopkins and Roosevelt. The New Leader is a Right Wing Socialist publication, with a desire to perpetuate the Roosevelt myth and a genuine enthusiasm for the New Deal -- Roosevelt and Truman versions. But it also, with commendable fairness, tries to present other viewpoints; such as, a recent review of the Sherwood book by C. Hartley Grattan, whose view of the New Leader idol, Mr. Roosevelt, is as dim as that expressed by Mr. John T. Flynn.

"The story told by Sherwood confirms the view", says Mr. Grattan, "which I think is the correct one, that Mr. Roosevelt engaged in wholesale deception of the American public, not only as to what he actually thought of America's position in a world at war but as to what he did secretly to prepare the U. S. eventually to participate in the war as an active belligerent. . . . And an important thing that Sherwood does not labor but which needs to be dragged into the light is that Mr. Roosevelt, with his hubristic personality, felt justified in resorting to deception because he wanted above all things to keep power in his hands. Mr. Sherwood . . . appears to accept the Rooseveltian justification. However, it seems to me that this is carrying hero worship too far. It condones a degree of Machiavellianism in politics that will, if it becomes common practice, morally wreck the Republic. Sooner or later, the American people will render a verdict on the question. I do not think that Mr. Roosevelt will get off as easily as he does at Mr. Sherwood's hands."

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Book Events

The American Political Tradition, by Richard Hofstadter. New York: Alfred A. Knopf. $4.00. Reviewed by George R. Leighton.

Americans have taken a beating from adversity and haven't much confidence in their future. To ease the pain, says Mr. Hofstadter, they have fled to the past and eagerly devour novels and films and biographies dealing with the happy times when America was still promises. This sentimentalism accomplishes nothing, says the author; better to survey our history with a close scrutiny and see if some unifying thread of continuity may be found. This would at least tell us where we came from, even if we don't know where we're going. The thread turns out to be "the ideology of self-help, free enterprise, competition and beneficent cupidity". Political conflicts of the past should not hide from us the knowledge that contending groups in America have shared common convictions about the desirability of property and opportunity. This thesis the author seeks to demonstrate in a series of portraits of eminent politicians that begins with Jefferson and comes down to Hoover and F. D. R.

The basis for these traditional beliefs no longer exists, says the author, and being unable to share the common convictions of his gallery of heroes, he finds compensation in a bland and seemingly effortless detachment. The diligence of historians in the past 50 years, the ransacking of American history by scholars, the work of such giants as Charles Beard in popularizing their own earlier researches, has had the effect of plowing and harrowing Mr. Hofstadter's field. There now exists a public so familiar with the personages, events and ideas involved, that the author is enabled to devote himself entirely to light and entertaining intellectual analysis. His book moves rapidly; it is never dull. In 24 pages, for example, the private and political life of John C. Calhoun moves before the reader almost as though on ball bearings. The economic determinism of the great intellectual of the slavocracy is analyzed with neatness and dispatch. With just such noiseless speed Herbert Hoover is presented as a coherent and sympathetic figure. Only with Franklin D. Roosevelt does the firm touch falter and the painful present blur the view of the too-recent past.

The sum of the book, however, is more interesting than its parts. In both style and general attitude it resembles Arthur M. Schlesinger, Jr.'s The Age of Jackson, a work in which, with some Procrustean effort, the author showed that Andrew Jackson was the first New Dealer. Mr. Hofstadter is no Procrustes; his detachment is complete and serene. But both books, and there are others in the same school, give a curious impression of almost approaching the status of novels. Novelists have an increasingly difficult time in presenting "full-bodied" characters when the Freudians have done their best to disembody everybody. The new school of popular history has no such trouble. There are a hundred and fifty years full of solid American characters who can be immersed in a solution of Marx and psychoanalysis and still emerge intact. Early crudities of the school have been smoothed away. No longer does the writer about covered-wagon days look simply for some wagon trust that built and overpriced the Conestogas. Neither does he rhapsodize. "I have no desire to add to a literature of hero worship and national self-congratulation", says Mr. Hofstadter. "It seems to me less important to estimate how great our public men have been than to analyze their historical roles." And this he has done in such a manner as to tint his work with a sort of iridescent intellectual sheen that blends Gustavus Myers with Lytton Strachey.

Mr. Leighton, author of Five Cities, formerly Assistant Editor of Harper's Magazine, is now free-lancing.

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European Supplement *to* Human Events December 15, 1948

By Bertrand de Jouvenel

For every thoughtful European, local events are completely overshadowed by the Chinese collapse. This major disaster brings home the brutal truth that we are losing the "cold war".

Western eyes have been concentrated upon "the remnant that has escaped" of Europe, the countries which were liberated by American and British forces, and, as a consequence, have not been overrun by the Red Army and subjected to Soviet rule. American efforts have been directed to the bolstering-up and consolidation of this remnant. The elimination of Communists from the French and Italian governments, the political encirclement of the Communist parties in these countries and the failure of their counterattacks, have been accounted great victories. In fact they are no more than the gradual reduction of far-flung vanguards, unsupported by any forward push of the main enemy force. Moscow has attempted nothing in the West.

All well-informed observers agree that even the local Communist forces have on no occasion really mobilized and exerted their full power. Their appointed task appears to have been to make themselves a nuisance, to slow up recovery, to waste a part of the American gifts. No more was attempted.

In the meantime, the Soviets have directed their attack in a far more promising direction. Asia was chosen as the field for the offensive, with good reason. For here President Roosevelt had bountifully provided the geographical means for Communist expansion, making over to Soviet Russia the operational basis which Czarist Russia had formerly procured for itself with the self-same intention of subjugating China. It is indeed ironical that Roosevelt should thus have returned to Soviet Russia those very means of aggression which the State Department and the Foreign Office forty years before had been so anxious to wrest away from Czarist Russia -- using Japan as their weapon for that purpose, at that time.

This time the Japanese makeweight had been conveniently removed by American arms, while Chiang Kai-shek's government was starved of American military help.

* * *

The Communist offensive in Asia was started on the southern tip of the Continent, furthest away from Russia. Thus it benefited from American incomprehension, indifference and even sympathy with what was pictured as revolt against imperialism. Indo-China, Indonesia, Burma and Malaya successively flared up. The fatal misreading of Indo-Chinese events by American opinion was a godsend to Soviet plans. Then China's efficent red armies started their infiltration into the soft belly of Chiang's State.

Now Stalinism is from every angle seeping into the largest continent of the planet. A most desirable prey. For nowhere has Stalinism a better chance of being willingly received.

Marx thought of his doctrines as demanding for their understanding and execution a working class of the highest intellectual quality. England was his choice for the inception of the Socialist revolution, with Germany and France next in the running, but decidedly not Russia. Marx deeply distrusted that country and even his own disciples there, as he once wrote to Kuegelmann. Lenin himself shared these ideas of his master and regarded his victory in Russia primarily as providing in an unexpected manner means to spread the revolution to countries better prepared for Socialism.

Stalin has changed all this. He has coarsened Socialism to a Pharaonic System in the grand Asiatic tradition, with despotism, great public works, and the equal

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insecurity of all under the police. This doctrine is to Marxism as a tank is to a Rolls-Royce; it travels well over rough ground. It is eminently suitable to the Asiatic masses, who are used to arbitrary power anyhow and who in fact stand to gain when it is exerted to regiment them into some semblance of productive activity.

It may be argued that Communism is more suitable to backward masses than representative government, which in such regions is only too prone to be corrupt and fraudulent.

* * *

Some say, remembering the fate of Japanese conquest, that Russian power will bog itself in the immensities of Asia. But Russian forces are scarcely employed at all. It is enough to send "advisers". The point is, not that the immense potentialities of the Asiatic masses may be used effectively against the West, but that the East may be closed to the West, keeping the West away from its raw materials and throwing us back on Africa. Further, the installation of Stalinism in Asia cannot fail to have repercussions in the Middle East and to hasten the work which is already being done in Africa.

Can anyone fail to see the gradual realization of Stalin's slogan: "Capitalist encirclement must be replaced by Socialist encirclement?" That is; instead of Soviet Russia's being isolated, it is the West which will in time be isolated.

The countries where the love of freedom runs highest are the least susceptible to creeping conquest. There military occupation is a prerequisite to the installation of Stalinism. But the populations of these countries are in a small minority in the world. They can be encircled. More, they can be reduced to virtual starvation.

Is it not a fact that the standard of living of Western Europe rests upon the imports of raw materials from the parts of the world most susceptible to Stalinist penetration? Will it not be lowered if we are bereft of rubber, oils, fats, tin and petrol? And will that fail to cause unrest?

Is all this fanciful? Possibly. But these, I would wager, are the fancies which inspire Soviet politics.

* * *

No one should dabble in public affairs today who has not first achieved awareness of the major fact in Twentieth Century politics. That is: we are dealing with madmen. With earnest, systematic, highly scientific madmen. They may dandle little girls on their knee like Hitler or smile in a grandfatherly manner like Stalin, they may argue most reasonably and dispel the prejudices lurking in the Chamberlains and the Roosevelts. For all that, they are mad. They are in the grip of a titanic dream which drives them on.

As is the way with reasonable people, we of the West decline to think in terms of World Destiny. Not so the Nazis or the Politbureau. Hitler knew what was wrong with the world and was going to put it right. Stalin knows what shape the world will take and he is hastening the process. What was wrong with the world in Hitler's view was that "the best" were being drowned in the sea of mediocrity; the true Germans had lost their primacy in Germany. Germany had lost her primacy in Europe and Europe was losing its primacy in the world. Hitler's dream was to restore at all times and everywhere the primacy of those whom he held to be "the best", his conception of "the best" was, as we know, disastrously crude.

Stalinians like to describe Hitler as having fought the "trend of history", which works for them. They call their purpose "to free the enslaved masses". The "enslaved masses" are all over the world: from China to South Africa, hundreds of millions of men have to be liberated from the thralldom of the colonialist, of the white capitalist and of local oligarchies. Nor is it necessary to tell these masses much in order to arouse them. The first stage is to excite xenophobia -- a primi-

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tive passion which the privileged classes, taught in Western schools, can decorate with the more ornate concepts of nationalism and/or self-determination. The second stage is to excite the masses against these elites in countries where there are no middle classes -- an easy task.

The Westerners can be indicted as the foreign conquerors and exploiters; "the foreign devils", as they were called in the Chinese Boxer rising of 1900. Where no other object is pursued, it is easy enough to stir up hatred. There is not today a single part of Asia or Africa where Moscow agitators are not at work. And they find grievances enough to feed their propaganda. If the European is no longer in control, the national leaders themselves can safely be taxed with incompetence and personal greed; that is the party line on Chiang Kai-shek.

This grand strategy was implicit in Lenin's teachings. Capitalism, he said, needs the overseas markets of undeveloped countries in order to dump there the surplus goods it cannot sell to its wage earners, whom it refuses to pay properly. The argument is absurd, but from it was born the idea of "blockading" the West. It was then believed that the boycott of Western goods was the proper means. Now it has been understood that the West needs to trade with these distant countries far less in order to sell than to procure its raw materials. And the idea is to cut the West off from these sources of supply.

Is it necessary to underline that before the War, Continental Europe drew eight per cent of its imports from Asia, England 12 per cent of hers, and the United States 22 per cent of theirs? That, further, a great part of these American imports from Asia earned dollars for European countries and that the loss of these dollars together with the loss of their own supplies conspire to make Europe more dependent than ever upon U. S. bounty?

* * *

It is believed in Europe that efforts to maintain European positions in the whole of southeast Asia, Indo-China, Indonesia, Malaya, must be in vain if Chiang's State is allowed to collapse. Ill-disposed as American opinion is to colonialism of whatever nature, it is not to be expected that the United States will give to the colonial Powers the active support which was withheld from the indigenous power of Chiang. It is recalled as characteristic that the Administrator of Foreign Aid denied France a paltry sum which was earmarked for Indo-China and this is held to be significant. In fact, short of very positive action by the U. S. in China, many will say: "Roll up the map of Asia."

The concept of "cold war" is coming in for a lot of criticism. What in fact is this cold war? It means that the U. S. is committed to arrest any and every offensive of the Soviets without striking back, to bolster up any sector of a world front which the Soviets, who have the monopoly of the offensive, may choose to attack, so that Moscow may plan and Washington may only improvise defenses. Can any war, "cold" or otherwise, be won under such a handicap? But that is not all. The enemy is given in the Western camp every facility for information offered by a free press and every facility for propaganda offered by free institutions: there is not the slightest reciprocity. What outcome can any rational man expect?

The time has come, say some, when it is plainly necessary to make a bid for the support of the peoples behind the Iron Curtain. It is both immoral and impolitic never to refer to their liberation. Immoral, for it condones their oppression; and impolitic, for who will move without any promise of support? That the desire to move in there is attested by the history of proud peoples such as the Hungarians, the Poles and the Balts. It is also attested by the news which filters through along the various underground channels. But we should never forget that hope, however tenuous, is an indispensable condition of resistance. And no hope has been offered.

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Worse: hope is expressly denied by authoritative voices which speak of "two worlds", of a dividing line to be held between tyranny and freedom as if, east of the Elbe, tryanny did not matter.

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Almost the whole attention of the British public has been focused for the last few weeks on the antics of the self-styled "Mr. Stanley". This gentleman, who is a bearer of many names, appears, under the light of judicial inquiry, a very minor comedian who succeeded in persuading businessmen that he could obtain for them import licenses, allocations of scarce materials, and permission to float capital issues, thanks to his "pull" with important public figures. Day after day, the testimony of Stanley, his business relations and his political friends has filled the columns and provided the headlines of the newspapers.

I would say that no evidence of corruption had been unearthed. In that sense the investigation justifies the high opinion always held of British political morality. But, on the other hand, every day comes further evidence of the amazing naivete of England's new rulers. Wanting to be helpful to "dear George" (that is Stanley) men endowed with the most responsible functions have behaved in a most irresponsible manner. In some cases their actions read like farce.

It is revealing of the English character that the indignation of the people is not so much directed to this lack of judgment in high places as it is to the "high-living" of some officeholders. Stories of expensive dinners, off the "ration", of expensive suits, without "coupons", deeply shock a nation which likes its royal family to use for the princely infant, not a new pram, but the "reconditioned" pram of Princess Elizabeth.

That some of the new rulers do not approximate the ideal respectability of Sir Stafford Cripps, but indulge in bad company and high living, in defiance of the "austerity" policy the government stands for, this is what imperils public opinion. And this is what is going to hurt it. Some fear to the benefit of the Communists: for, so the reasoning goes, it will be said "our boys were corrupted by the capitalists". Though Mr. Stanley can hardly be termed a capitalist. He seems to come out a small man trying to bluff his way up. Many important social lessons could be drawn from this episode. But space is lacking.

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The Queuille government in France, which I ventured to praise in my last monthly letter, is doing very well. It is engaged in returning France to legality, after the brutal and arbitrary beginnings of the Fourth Republic. It seems desirable in order to strengthen its hand that it should obtain some satisfaction on foreign policy, whatever the true merits of the case. On the other hand, it is plain that the very brave showing made by the Berliners demands that we should cease to treat the Germans as an enemy nation. Their behavior is an example to the West.

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Alexandre de Saint-Phalle is a young banker who, in a recent brilliant pamphlet, argued that the economic situation of France is potentially stronger than is generally believed. This conclusion is fortified by official statistics now released in Paris. For the first six months of this year French industrial production attained an index figure of 114, taking the 1938 output as 100. Financial stabilization, however, is not yet achieved. The effort to increase governmental revenue is the hurdle now immediately ahead for Premier Queuille. To attain it, he must draw on the Marshall Plan counterpart fund, inviting American criticism, and increase taxes, with their domestic repercussion.

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